



CHINA & INDIA: GLOBAL SOUTH PARTNERS OR HIMALAYAN RIVALS?

PANEL DISCUSSION IN COOPERATION
WITH THE MINISTRY OF DEFENCE.

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WICHTIGSTE ERKENNTNISSE

1 Die Himalaya-Region wird für Chinas außen- und sicherheitspolitische Strategie zentraler, ist integraler Bestandteil der Pläne für eine reformierte (China-zentrierte) Weltordnung und könnte bald als (nicht verhandelbares) Kerninteresse Chinas aufgeführt werden. Beijing versucht, die Region wirtschaftlich und diplomatisch (durch „multilaterale“ Organisationen) von China abhängig zu machen.

2 Die indische Außenpolitik ist mittlerweile permanent anti-Chinesisch mit umfassender Abschreckungskomponente, es sei denn, China würde drastische Schritte zur Lösung der anhaltenden Grenzstreitigkeiten unternehmen. Die indische Abschreckung gegenüber China besteht aus multilateralen diplomatischen Manövern, der Aufrechterhaltung enger Beziehungen zu Russland, dem Aufbau engerer Beziehungen zu den USA und US-Verbündeten, einem Infrastrukturschub in den Grenzregionen, militärischer Modernisierung und höherer Truppenstärke sowie wirtschaftlicher Risikominderung oder teilweiser Entkopplung („De-risking“ oder „De-coupling“).

3 China und Indien konkurrieren zunehmend um die Führung des Globalen Südens, was wichtige diplomatische Vorteile bringen könnte. Neben seiner wirtschaftlichen Größe und technologischen Stärke hat China den Vorteil, ein Vetorecht im UN-Sicherheitsrat zu haben. Beijings Ablehnung von Indiens Bestreben, durch eine Reform des UN-Sicherheitsrats ebenfalls Vetomacht zu werden, sowie Neu-Delhis Initiative, der Nuclear Suppliers Group (Gruppe der Kernmaterial-Lieferländer) beizutreten, haben zu zusätzlichen Spannungen zwischen den beiden Ländern geführt.

4 China räumt der Himalaya-Region nicht genügend Priorität ein, um bereit zu sein, eine weitere Eskalation zu provozieren oder zu akzeptieren. Der Status quo bleibt für Beijing recht komfortabel, da die USA in der Region nicht präsent sind, und Indien zu schwach ist, um eine echte Herausforderung für China darzustellen. Die chinesische Seite beschränkt sich meist auf eher zurückhaltende Aktivitäten und handelt nur selten entschlossen, um ein wahrgenommenes Machtvakuum zu nutzen ohne schwerwiegende negative Konsequenzen befürchten zu müssen. Die Spannungen werden hoch und die Risiken vorhanden bleiben, aber die Wahrscheinlichkeit eines militärischen Konflikts ist gering.

KEY TAKEAWAYS

- 1** The Himalayan region becomes more central to China's foreign and security policy strategy, is integral to plans for a reformed (China-centric) global order and may soon be listed as a core (and non-negotiable) core interest of China. Beijing seeks to render the region economically and diplomatically (through "multi-bilateral" entities) dependent on China.
- 2** Indian foreign policy has become permanently anti-China with multi-pronged deterrence, unless China would take dramatic steps to resolve the ongoing border disputes. Indian deterrence vis-à-vis China consists of multilateral diplomatic manoeuvring, maintaining close ties to Russia, building closer ties to the US and US allies, an infrastructure push to the border regions, military modernization and higher troop levels, and economic de-risking or partial de-coupling.
- 3** China and India increasingly compete for leadership of the Global South, which could deliver important diplomatic benefits. Next to its economic size and technological prowess, China enjoys the advantage of being a veto power in the UN Security Council. Beijing's rejection of India's aspiration to become a veto power through UN Security Council reform, as well as New Delhi's initiative to join the Nuclear Suppliers Group, have been additional irritants between the two countries.
- 4** China does not prioritize the Himalayan region enough to be ready to provoke or accept further escalation. The status quo remains rather comfortable for Beijing, due to the absence of the US from the region, and India being too weak to be a real challenge for China. The Chinese side mostly sticks to rather lowkey activities, and only rarely acts decisively to use the perceived power vacuum without fearing strong adverse consequences. Tensions will remain high and risks present, but the probability of a military conflict is low.

INTRODUCTION

China and India still portray themselves as developing states, even if they are global top 5 economies, have taken the lead on several technologies, and China has moved up drastically in GDP per capita lists. Both countries would like to further certain interests of but also lead what is now often called the Global South. That might indicate cooperation, but also friction. The term “Global South” basically describes developing and emerging economies outside of Europe – even if some of them have a considerably higher GDP per capita than some developing and emerging economies in Europe. China and India have indeed been pulled together in the past, for example by overlapping trade interests or economic interests more broadly, in the World Trade Organization, the G20, or the BRICS group. A positive trend marked the bilateral relationship for a large part of the post-Cold War era, but appeared to turn sharply towards competition or even confrontation after 2018. China and India disagree on reforms of the global order, and have unresolved and increasingly tense border disputes, which broke out into deadly clashes between the two sides’ soldiers in 2020 high up in the Himalayas. Such developments lead to important questions about China’s and India’s foreign and security policy strategy, their respective roles in each other’s strategies, their risk tolerance, and the likelihood of armed conflict. To deal with these questions and address how this bilateral China-India dynamic impacts Europe’s security and stability, the Austrian Institute for International Affairs (oiip), in cooperation with the Federal Ministry of Defence (bmlv) hosted a panel discussion on September 23, entitled “China & India – Global South Partners or Himalayan Rivals?”.

THE HIMALAYAN REGION MOVES TO THE CENTRE OF CHINA’S FOREIGN AND SECURITY POLICY

Due to the ongoing border disputes with India, and the impact on China’s warily guarded Tibet province, the Himalaya region may soon be listed among China’s core interests, according to Justyna Szczudlik. Core interests are non-negotiable and particularly sensitive in the eyes of Beijing’s leadership. They are considered especially important for realizing the two key

goals in China’s new National Security Law, keeping the Communist Party of China (CPC) in power and achieving “national rejuvenation” (China’s re-emergence as a global power). Additionally, the Chinese government has included the Himalayan region under the geographic umbrella of the “community of shared destiny for mankind”, the key concept in China’s vision for a reformed global order (laid out in more detail since 2021). This would be an order centred around China and aligned with its global governance preferences. Dr. Szczudlik also highlighted that the Himalayan region is within the first of three concentric circles in China’s foreign policy strategy, the neighbourhood, and that Beijing aims to achieve the same goals in that zone. Firstly, to push out the US and its alliances from that zone. Secondly, to make the countries in that zone dependent on China. That is exactly what China is attempting to do regarding India and the Himalayan region, according to Dr. Szczudlik. She described the BRICS group and Shanghai Cooperation Organization (SCO) as a practice in Chinese “multi-bilateralism”, where many individual countries cooperate with China, instead of multilateral organizations where all member countries cooperate with each other. This situation, and the sheer size of China’s economy, would then lead to dependence. Other countries in such “multi-bilateralism” entities are typically such that do not want to clearly support the “West”, may be considered flawed democracies or autocracies, and are not superpowers (as opposed to China).

INDIAN FOREIGN POLICY HAS BECOME ANTI-CHINA WITH MULTI-PRONGED DETERRENCE

China has emerged as a key security challenge and even a security threat for India, according to Jagannath Panda, calling for comprehensive deterrence (defence, security, economy). Following India’s independence after Second World War, relations were warm, and Beijing and Delhi concluded the Panch Sila Agreement in 1954, where they put forward the Five Principles of Peaceful Co-existence (emphasizing elements of the UN Charter: non-aggression (i.e. prohibition of force), sovereignty, territorial integrity, non-interference,

equality). Since the Sino-Indian War of 1962, however, there has been a consistent trust deficit. Dr. Panda argued that an engagement strategy pursued by both sides between the 1990s and the 2010s brought several successes, including the formation of the BRICS group. Border disputes were managed well, and economic and multilateral cooperation was possible. This situation changed, however, during the terms of Xi Jinping as General Secretary and President. Dr. Panda argued that India felt the consequences of China's "new era diplomacy" under Xi Jinping, with aggressive foreign policy, militarization of the Himalayan region, expansion plans symbolized by the Belt and Road Initiative, and legalization efforts ("lawfare"). Beijing put out new land border laws (like its maritime laws) and started to change maps to give (new) Chinese names to disputed localities, including such in the Indian province of Arunachal Pradesh. That changed the narrative in India. When Narendra Modi was the Chief Minister of Gujarat, he invited Chinese investment and framed relations positively (in line with his focus on economic growth), and as Prime Minister he tried to build strong personal relations with Xi Jinping at informal summits in both countries. Repeated incursions by the Chinese military onto the Indian side of the Line of Actual Control – the disputed border that held since the war in 1962 – including at Doklam (2017) and during the COVID-19 pandemic in the Galwan Valley (2020) changed Prime Minister Modi's mind, according to Jagannath Panda. He claimed that India's stance will now permanently be anti-China, as long as there are no dramatic steps by the Chinese leadership to forget or resolve the boundary dispute. Concerning the multilateral or "multi-bilateral" entities (co-)developed and lead by China (i.e. BRICS, the SCO, etc.), Dr. Panda maintained that India's participation in fact affords it the opportunity to scuttle some Chinese initiatives from the inside. To achieve this goal, India needs partners within the BRICS, the SCO, etc., and that contributes to Russia's importance for India. Another point is Russia's veto power in the UN Security Council, and India's attempts to keep Russia from clearly favouring China and Pakistan in their border disputes with India. This is part of the diplomatic side of India's multi-pronged deterrence, where New Delhi also seeks leverage through participation in US-led

formats like the "Quad" with Japan and Australia. The defence and security side of deterrence includes an infrastructure push to connect Indian border areas with logistical nodes, hastened military modernization, as well as increased military presence and higher troop levels. On the economic side, India has banned many Chinese apps to decrease Chinese economic influence.

CHINA AND INDIA INCREASINGLY COMPETE FOR LEADERSHIP OF THE "GLOBAL SOUTH"

While it is difficult to define according to which exact criteria a country is part of the "Global South", both Beijing and New Delhi are keenly aware of the diplomatic benefits for the perceived leader or spokesperson of developing and emerging economies. According to Justyna Szczudlik, the two giant emerging economies China and India are obviously competing for that position, strongly limiting the room for cooperation. Only China, of course, is a permanent member of and veto power in the UN Security Council and can claim to speak for developing countries and Asian countries in that position. China's rejection of India's aspiration to become an additional veto power through UN reforms, has also led to tensions between the two countries. An additional irritant has been China's refusal to allow India to join the Nuclear Suppliers Group, as the only UN Security Council veto power to deny India's request. Jagannath Panda agreed that a leadership clash has manifested between China and India, after the attempts of building close personal relations between Narendra Modi and Xi Jinping failed. He argued that the two countries' approaches to the Global South fundamentally differ, with India going for "shared leadership" and China for "lead-leadership". The Chinese approach is demonstrated by Beijing dominating the SCO, BRICS, and the AIIB, focusing on leadership and others following China. India, on the contrary, approached its Chairmanship of the G20 with a focus on cooperation, participation and expansion, to include the African Union, Dr. Panda maintained. Another difference to China is the comprehensive foreign policy approach by India, as Narendra Modi travels not only to Russia, but also Ukraine (i.e. developing or emerging

economies on both sides of the ongoing war in Europe).

CHINA DOES NOT PRIORITIZE THE HIMALAYAN REGION ENOUGH TO BE READY TO PROVOKE OR ACCEPT FURTHER ESCALATION

According to Justyna Szczudlik, China may be using carrots and sticks in the Himalayas as it does elsewhere in its neighbourhood, but it sticks to rather lowkey activities. This is partly due to the absence of the US from the region, and India still being too weak to be a real challenge to China. The situation is thus rather comfortable for Beijing, to keep the region on a low simmer, use the power vacuum with individual assertive actions without risking escalation, and make the region economically dependent on China. Dr. Szczudlik therefore considered the probability of a military conflict between China and India as low. Meanwhile, Dr. Panda cautioned that both countries' infrastructure push leading up to the border will keep tensions high, troops in a standoff, and risks present.

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